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The MAINE VOTER

Published by The League of Women Voters of Maine

VOL. XIX

NOVEMBER, 1971 JANUARY 1972

Number 3

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MRS ROBERT MASTERTON, PHONE AND MAIL	
PRES LEAGUE OF WOMEN VOTERS OF MAINE 36 DELANO PARK /CAPE	
ELIZABETH ME	
CONGRATULATIONS ON THE VICTORY YOU WON IN YESTERDAYS VOTE ON	
THE STATE INCOME TAX I KNOW THE TIME EFFORT AND TROUBLE THAT	
WENT INTO YOUR TAX CAMPAIGN AND WE'RE ALL DELIGHTED BUT IT	
WAS SO WELL REWARDED.	
LUCY WILSON BENSON PRESIDENT LEAGUE OF WOMEN VOTERS OF THE	
UNITED STATES./	
/2022961700/	
BP-1201 (7-6-60)	TELEPHONE NO. 799-5108 TELEPHONED TO NM TIME 4:28 BY HC TO MRO ATTEMPTS)

The Welfare Maze

Roughly 218,000 people, or one fifth of the population, of Maine are considered poor. But only about 75,000 people receive some form of public assistance.

The Maine welfare program is in a state of crisis; mounting costs, and caseloads, increasing criticism, the controversy between those who feel that cost must be reduced and those who feel that grants are inadequate combine to make this welfare dilemma. Increases can be attributed to many factors: recent court decisions, updated HEW provisions, better dissemination of information about available programs by the Department of Health and Welfare, Pine Tree Legal Assistance and low income groups. In 1969 HEW required all states to increase the grant standards to reflect the rising cost of living. Since Maine had not changed its standards since 1957, grants were increased, but were still only providing 49% of full need in most cases.

CATEGORICAL ASSISTANCE

The Department of Health and Welfare administers several programs that provide assistance to the blind, the disabled, the aged, and to families with dependent children. Although the federal government matches all state funds for categorical assistance, the state is responsible for establishing

the standard amount necessary to meet basic needs, and what percentage of that amount will actually be paid. Thus, recipients of Old Age Assistance now receive \$2,376 annually for a family of two—or what the state estimates is full need, while those receiving Aid to Families with dependent children receive \$2,016 annually for a family of four, or 49% of what the state considers full need (\$4,188.00).

Applications for categorical assistance are made to regional offices of the Department of H & W. Maine pioneered the simplified declaration of need by the applicant as a means of processing grants, which is now used for all adult categories. The applications are spot-checked for accuracy in much the same way as income tax forms. Between 2% and 3% of the cases have been found ineligible, not all related to deliberate mis-statement. Fears that this new system would lead to widespread abuse and increased welfare loads have not been realized; instead, investigating time has been reduced and staff have been freed for counselling.

Eligibility is determined by HEW and state regulations. In addition to current income, other considerations are family assets such as savings accounts, cash, real estate not occupied by the applicant, securities and non-essentials convertible into money. When one child is involved five hundred dollars is the maximum assets allowed and one thousand dollars is the maximum in all other instances. Each person in the assistance group is allowed \$1,500 life insurance.

AFDC mothers, 30% of whom work full or part time are allowed the first \$30.00 plus a third of their additional earned income. Income tax, social security, cost of transportation to and from work and child care are allowable expenses. This permits a client to work to supplement her income without the threat of having her grant level drastically decreased.

Coverage is not extended to families of unemployed fathers since the 105th Legislature dropped the program. Lack of this program forces separation of families in order to be eligible for aid. The Legislature also considered and defeated a bill that would have required step-parents to support their AFDC step-children, affecting from 1,700 to 2,000 persons. It was pointed out that this measure would not reduce the caseload appreciably and the burden of support of step-children might serve as a deterrent to remarriage.

Counseling is available to welfare recipients at their request: job training, finding employment, further education for either parents or children, personal problems, pursuing financial assistance from parents. The Health and Welfare Resources Unit is responsible for collecting money from parents able to contribute some support for children receiving assistance. Well over one million dollars was collected from this source during fiscal 1970. One fact remains: Maine's funding levels remain insufficient to provide recipients with grants high enough to cover the basic essentials.

MUNICIPAL WELFARE PROGRAMS

Categorical programs contain inevitable gaps in coverage such as single people, childless couples, the unemployed, the working poor, the medically indigent and those needing supplementation of assistance grants. Such people must turn to the local communities for help. On this level even more variations exist since each municipality has its own welfare program requirements. Restrictive pauper laws, including settlement laws, are still in effect in Maine. These laws determine which community foots the bill for the applicant's assistance. One is eligible for settlement by living in a community for five consecutive years without receiving aid from that community. Once settlement is established, that community is responsible for caring for those in need. The 105th Legislature considered a bill which would have provided for uniform guidelines for local welfare, subject to H & W review, and would have established an appeals procedure. Despite strong support, the bill was defeated through failure to appropriate funds.

Trained personnel, standards of assistance, and appeals procedures are only a few of the provisions lacking in local services. In contrast to state programs which provide cash, most local assistance is given through vouchers. The funding of welfare budgets is dependent on the wealth of the community and generally given low priority in its budget. Administrators of local programs (usually called Overseers of the Poor) vary in knowledge and attitude and there is little uniformity between local programs.

Recent trends have been toward the state adopting more responsibility formerly left to local departments. In January 1971, the charge to communities of settlement of 18% of AFDC payments ended. Revised AFDC procedures have eliminated a four month waiting period after separation of parents. These factors combined with prescription payments under Medicaid, have served to relieve communities of some costs. Re-adoption of the Unemployed Fathers program and Mericaid coverage for the medically indigent would provide further relief to communities and more uniform standards.

A 1968 Task Force on Intergovernmental Welfare Programs recommended that the State assume the administra-

tion of all general assistance. Arguments in favor of this plan are that federal matching funds could be used to improve services, uniform standards could be applied, increased efficiency would result from eliminating lengthy settlement determinations, and local communities would be relieved of the general assistance expense. Additional costs to the state would, of course, be involved. Although municipalities would appreciate this fiscal relief, some feel that the responsibility for needy residents should continue to rest with the community in which they live since it is most familiar with their needs. Another concern is that many more people would apply for aid under such a program. Some feel that local welfare should not be abolished until there is some guarantee that the state will provide full need. The last two Legislatures wrestled with this recommendation and rejected the proposal.

MEDICAID

The Medicaid program begun in 1966 served approximately 45,000 people in fiscal 1970. This program provides payment for medical care to low income people on categorical assistance and children for whom the state has accepted financial responsibility under its Child Welfare Program. Coverage includes hospital care, home health services and most prescription drugs. Dental care, eye glasses, hearing aids and orthopedic footwear are not covered.

The 105th Legislature was asked to expand Medicaid to the "medically indigent"—those persons who are ineligible for financial assistance but who cannot meet their medical expenses. While there were many good arguments for broadening the program, the estimated cost of 8.5 million dollars probably contributed heavily to its defeat. Municipalities therefore continue to bear the responsibility for the medically indigent.

FOOD PROGRAM

In 1970, about 82,000 people in Maine received donated commodity food worth about \$8 per month per person. All recipients of categorical assistance are eligible as well as low income families meeting OEO guidelines. The commodities are picked up once a month by recipients and the University Extension Service provides Nutrition Aids to help recipients plan balanced diets and prepare the food. Criticism of the program centers around the lack of variety, the difficulty in transporting the food, the indignity and tediousness of waiting in line, sometimes as long as two hours, and the emphasis on disposing of the food rather than on feeding the hungry.

An alternative method of supplementing food budgets was used in Androscoggin County. Food stamps were bought by 11,000 eligible persons in 1970 and used as cash in participating stores. The difference between the cost of the stamps and their value averages \$54 a month for a family of four. The primary disadvantage of the program was the difficulty in reaching locations where stamps were sold and the stigma attached to their use.

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